

Stephanie Mulcahy Analyzes Three Illinois Developments Strengthening Mortgage Lender Enforcement

In a *Law360* “Expert Analysis” Article

In The News | 2 min read

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Hinshaw partner Stephanie Mulcahy has authored a *Law360* “Expert Analysis” article titled, “3 Illinois Updates That Bolster Mortgage Lender Enforcement.” In the article, Stephanie looks at recent legislative and judicial developments that resolved three long-standing questions in favor of Illinois mortgage lenders.

Here is a summary of her discussion:

Three Long-standing Questions for Illinois Mortgage Lenders

1. How Long Does the HELOC Statute of Limitations Apply?

- In *BMO Bank N.A. v. Zbroszczyk*, 2025 IL App (1st) 241333, the Illinois Appellate Court applied a five-year limitations period to a mortgage-secured home equity line of credit. On August 21, 2026, Gov. J.B. Pritzker signed Senate Bill 2951 (Public Act 104-0842), which took effect immediately.
- **The law clarifies that indebtedness of any kind secured by a mortgage is subject to a 10-year statute of limitations.** This removes the product-based distinction drawn by the court in *Zbroszczyk*. Stephanie also discusses whether the amendment should apply to currently pending cases. The legislative record describes the bill as one that “clarifies” existing law, giving lenders a strong argument for retroactive application.

2. Does a Note’s Limitations Period Expire While a Foreclosure Remains Pending?

- In *Bank of New York Mellon v. Bartelstein*, 2026 IL App (1st) 242136, the First District reversed a trial court ruling that had released the mortgage and awarded the borrower more than \$160,000 in attorney fees.

- The appellate court relied on *First Midwest Bank v. Cobo*, 2018 IL 123038. It held that a timely foreclosure complaint seeking a deficiency judgment effectively asserts a claim under the note. **As a result, the note's limitations period cannot run out on its own while the foreclosure is pending.**

3. Can a Mortgage Lien Survive After the Limitations Period Expires?

- In *Chicago Title Land Trust Co. v. Watkin*, 2026 IL 132383, a unanimous Illinois Supreme Court held that a property owner cannot quiet title to remove a mortgage lien just because the 10-year foreclosure limitations period has expired.
- Under 735 ILCS 5/13-116, the lien lasts until 20 years after the last payment became due, unless an extension agreement is recorded.

Takeaways for Illinois Lenders and Servicers

Stephanie concludes her article with some practical takeaways for lenders and servicers:

- Respond to *Zbroszczyk*-based defenses by arguing that SB 2951 applies retroactively.
- Make sure foreclosure complaints follow the statutory form and request a deficiency judgment where one is sought.
- Track the 10-year foreclosure deadline and the 20-year lien-extinguishment deadline as separate dates.

[Read the full article \(PDF\)](#)

- “[3 Illinois Updates That Bolster Mortgage Lender Enforcement](#)” was published by *Law360*, October 5, 2026.

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